

Remarks:

Reconsideration of the application, as amended herein, is respectfully requested.

Claims 2 - 22 are presently pending in the application.

Claims 2 - 8, 11, 12, 14 - 20 and 22 have been amended. Claim 1 was previously canceled.

In item 2 of the above-identified Office Action, the specification was objected to because the Abstract exceeded 150 words in length. Applicant has amended the Abstract to contain less than 150 words. Additionally, pursuant to the rules, Applicant has provided a clean copy of the amended Abstract, on a separate sheet, as page 4 of the present Response.

In item 4 of the Office Action, claims 2, 5, 7, 9, 10, 15, 16, 19 and 22 were rejected under 35 U.S.C. § 112, first paragraph for allegedly failing to comply with the written description requirement. More particularly, it was alleged in item 4 of the Office Action that the concept of "setting of rules", as recited in claims 2, 15, 16 and 19, was not disclosed in the original specification. Applicant respectfully disagrees.

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For example, paragraph 0002, on pages 7 - 8 of the instant application (corresponding to paragraphs [0026] - [0032] of the published application US 2005/0228749), states, in part:

The process of issuing and using the financial card proposed in this invention would work as follows: **The customer would**

Establish a savings account with any bank and strictly for the purpose of making transactions using the financial card proposed here.

Request the financial card from the bank.

Set the maximum amount the savings account can be charged against. In other words **set the minimum acceptable balance.**

Set the interest rate allowed to be charged for the use of the funds.

Set the monthly minimum payment as a percentage of the funds owed.

Set the monthly fee for late or default payments.
[emphasis added by Applicant]

As such, the specification of the instant application, as filed, clearly disclosed the concept of the consumer/customer **setting the rules of operation of the account.** For example, the original specification of the instant application disclosed the user **setting the operating parameters of the account** (i.e., setting the monthly fee for late or default payments, setting the monthly minimum payment for funds owed, setting the charge rate allowed for use of the funds, setting the minimum acceptable balance, etc.). **The setting of the parameters that govern** the operation of the system is believed

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to be the same as "**setting the rules**" for the system. As such, Applicant believes that the term "setting of rules", recited in the claims, was disclosed in, and supported by, the specification, as originally filed. However, in an effort to advance prosecution of the instant application, Applicant has replaced the word "rules" with the word "parameters" for describing the **parameters** set by the consumer/customer, as described in paragraph 0002 in pages 7 - 8 of the original specification.

Item 4 of the Office Action additionally alleged that the phrase "**debiting amounts from stored credit**", appearing in claims 2, 13, 15 and 19 were not discussed in the specification. Applicant respectfully disagrees.

More particularly, the originally filed Abstract of the disclosure, stated, in part:

This patent application makes available to a specific group of consumers a financial card that provides the services that existing debit and credit cards offer today; with the exception that instead of paying interests and fees to credit lenders, **the consumer who uses this card agrees to pay himself or herself for the use of his or her own funds**. In other words, with this service, a consumer who has savings in a bank account (in this case a credit line) and elects this service, **can make debit transactions** against his or her own account and repay himself or herself for the use of the funds, plus finance charges (interests) if payments are late. [emphasis added by Applicant]

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See also, for example, paragraph 0001 on page 6 of the originally filed application, which stated:

The general idea behind this patent application is to make available to a specific group of consumers a financial credit card that provides the services that existing debit and credit cards offer today; with the exception that instead of paying interests and fees to credit lenders, the consumer can opt to pay himself or herself for the use of his or her own funds. In other words, **with this service, a consumer who has savings in a bank account (in this case a credit line) and elects this service, can make debit transaction against his or her own account and repay himself or herself for the use of the funds, plus finance charges (interests).** [emphasis added by Applicant]

Further, originally filed claim 1 recited:

1. I claim that, via my invention, I can make available a financial debit-credit card **that allows the consumer to make purchases against his personal savings account (debit)**, and forces the consumer to repay the funds expended prior to a deadline (credit); otherwise finance charges and fees are assessed against the personal savings account: [emphasis added by Applicant]

The above-cited portions of Applicant's original disclosure clearly discloses that the consumer who has a **stored credit** (i.e., "the use of his or her own funds"; "a consumer who has savings in a bank account"; "his personal savings account") **"can make debit transaction against his or her own account"**. As such, the specification of the instant application, as originally filed, disclosed **"debiting amounts from stored credit"**. Thus, the recitation of **"debiting amounts from stored credit"**, in current claims 2, 13, 15 and 19, is clearly

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supported by the specification of the instant application, as filed.

Further, in item 4 of the Office Action, claims 5 and 7 were rejected as allegedly failing to have support in the original specification for "setting maximum amount of stored credit" and "setting monthly minimum payment amounts". Applicant respectfully disagrees. As stated above, paragraph 0002, on pages 7 - 8 of the instant application (corresponding to paragraphs [0026] - [0032] of the published application US 2005/0228749), supports the above limitations. For example, page 7 of the originally filed application, stated, in part:

The process of issuing and using the financial card proposed in this invention would work as follows: **The customer would**

. . . .

Set the maximum amount the savings account can be charged against. In other words **set the minimum acceptable balance.**

. . . .

Set the monthly minimum payment as a percentage of the funds owed. [emphasis added by Applicant]

As such, Applicants' specification, as originally filed, clearly disclosed "setting maximum amount of stored credit" and "setting monthly minimum payment amounts", contrary to the allegation made in item 4 of the Office Action.

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Further, claim 22 was rejected under 35 U.S.C. § 112, first paragraph because there was allegedly no mention of a "system" in the originally filed application. Applicant respectfully disagrees.

The Merriam-Webster Online Dictionary (www.m-w.com) defines "system", as follows:

Main Entry: sys·tem

Pronunciation: 'sis-t&m

Function: noun

Etymology: Late Latin *systemat-*, *systema*, from Greek *systemat-*, *systema*, from *synistanai* to combine, from *syn-* + *histanai* to cause to stand -- more at STAND

1 : a regularly interacting or interdependent group of items forming a unified whole <a number system>: as a

(1) : a group of interacting bodies under the influence of related forces <a gravitational system>

(2) : an assemblage of substances that is in or tends to equilibrium <a thermodynamic system> b (1) : a

group of body organs that together perform one or more vital functions <the digestive system> (2) : the body

considered as a functional unit c : a group of related natural objects or forces <a river system> d : a group

of devices or artificial objects or an organization forming a network especially for distributing

something or serving a common purpose <a telephone system> <a heating system> <a highway system> <a

computer system> e : a major division of rocks usually larger than a series and including all formed during a

period or era f : a form of social, economic, or political organization or practice <the capitalist system>

2 : an organized set of doctrines, ideas, or principles usually intended to explain the arrangement or working of a systematic whole <the Newtonian system of mechanics>

3 a : an organized or established procedure <the touch system of typing> b : a manner of classifying, symbolizing, or schematizing <a taxonomic system> <the decimal system>

4 : harmonious arrangement or pattern : ORDER <bring

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system out of confusion -- Ellen Glasgow>
5 : an organized society or social situation regarded
as stultifying or oppressive : ESTABLISHMENT 2 --
usually used with the
synonym see METHOD

The originally filed specification of the instant application described "a **regularly interacting or interdependent group of items forming a unified whole**" (i.e., a "system"). For example, paragraph 0002, on pages 7 - 8 of the instant application (corresponding to paragraphs [0026] - [0032] of the published application US 2005/0228749), states, in part:

The process of issuing and using the financial card proposed in this invention would work as follows: **The customer would**

. . . .

Make transactions using the financial card with any of the millions of retailers that accept credit cards today.

Once the card is in use, every month **the bank or agency lending the service sends a statement** to the consumer indicating the charges made and payment due. The statement also shows interests charged for the period if a balance is due, as well as any other applicable fees.

The consumer pays his own bank account for the monthly charges.

This financial card also gives customers the option to pay their financial card debt all at once, or pay a monthly minimum with interest charged over a longer period of time. [emphasis]

As such, Applicant's specification discloses an interrelated **system** (i.e., interdependent group of items forming a unified

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whole), including, the financial institution issuing the card, the issued financial card, itself, retail institutions accepting the card, among other things. As such, Applicant's specification, as originally filed, disclosed a "system", as recited in claim 22, contrary to the allegation made in item 4 of the Office Action. However, for purposes of furthering the prosecution of the instant application, Applicant has amended claim 22 to further clarify the system of that claim.

Further, claim 9 if the instant application was rejected under 35 U.S.C. § 112, first paragraph as reciting "a purchase at a retail establishment", which was allegedly not mentioned in the originally filed specification. Applicant respectfully disagrees.

More particularly, as discussed above, paragraph 0002, on pages 7 - 8 of the instant application (corresponding to paragraphs [0026] - [0032] of the published application US 2005/0228749), states, in part:

The process of issuing and using the financial card proposed in this invention would work as follows: **The customer would**

.....

Make transactions using the financial card with any of the millions of retailers that accept credit cards today. [emphasis added by Applicant]

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As such, the instant application discloses that the customer would "make transactions" with any of "millions of retailers" that accept credit cards today. As such, contrary to the allegation made in item 4 of the Office Action, the originally filed application supported the limitation of claim 9 of making "a purchase at a retail establishment".

In view of the foregoing, Applicant believes that the claims of the instant application are supported by the originally filed specification and comply with 35 U.S.C. § 112, first paragraph. As such, Applicant respectfully requests that the rejection of the claims made in item 4 of the Office Action be withdrawn.

In item 5 of the Office Action, claims 2, 6 - 8, 15, 16, 20 and 22 were rejected under 35 U.S.C. § 112, first paragraph for allegedly failing to comply with the enablement requirement. More particularly, it was alleged in item 5 of the Office Action that "Applicant does not provide enough information in the specification" and thus, it was unclear how a consumer can set rules of repayment (claim 2, 15, 16 and 22), set maximum amount of the stored credit that can be debited (claim 5), set interest rates (claim 6 and 20), set monthly minimum payments ((claim 7 and 8). "setting of rules", as recited in claims 2, 15, 16 and 19, was not

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disclosed in the original specification. Applicant respectfully disagrees.

The test for enablement, as discussed in MPEP § 2164.01, is whether one reasonably skilled in the art could make or use the invention from the disclosures in the patent coupled with information known in the art without undue experimentation. All of us living in this modern day and age know how to perform transactions with a financial institution, and can do so without undue experimentation. As discussed above, paragraph 0002, on pages 7 - 8 of the instant application (corresponding to paragraphs [0026] - [0032] of the published application US 2005/0228749), states:

The process of issuing and using the financial card proposed in this invention would work as follows: **The customer would**

Establish a savings account with any bank and strictly for the purpose of making transactions using the financial card proposed here.

Request the financial card from the bank.

Set the maximum amount the savings account can be charged against. In other words set the minimum acceptable balance.

Set the interest rate allowed to be charged for the use of the funds.

Set the monthly minimum payment as a percentage of the funds owed.

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Make transactions using the financial card with any of the millions of retailers that accept credit cards today.

Once the card is in use, every month the bank or agency lending the service sends a statement to the consumer indicating the charges made and payment due. The statement also shows interests charged for the period if a balance is due, as well as any other applicable fees.

The consumer pays his own bank account for the monthly charges.

This financial card also gives customers the option to pay their financial card debt all at once, or pay a monthly minimum with interest charged over a longer period of time. [emphasis added by Applicant]

As such, the specification makes clear that the parameters of operation of the present invention are **set by the consumer** when opening a savings account with the financial institution "strictly for the purpose of making transactions using the financial card proposed here". The original disclosure makes clear that the "setting" of the parameters of operation of the account occur by the consumer preinforming the financial institution of the parameters , so that "[o]nce the card is in use, every month the bank or agency lending the service sends a statement to the consumer indicating the charges made and payment due. The statement also shows interests charged for the period if a balance is due, as well as any other applicable fees." The above-quoted portion describes a statement coming from the bank listing charges and payments due on a savings account. The originally filed application

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clearly discloses that any charges or payments due on the savings account are the result of the "settings" chosen by the consumer. The disclosure in the originally filed specification indicating that the repayment amount and/or interest due is **included on the monthly statement sent from the bank or agency**, further supports that the specification teaches a person of skill in this art, that the consumer pre-informs the bank or financial institution of the interest rate and/or repayment rate "set" by the consumer. A person of skill in this art, or anyone transacting business today, **upon reading the original specification**, will know, **"without undue experimentation"**, how to pre-inform the financial institution of the settings for the consumer's desired savings account operating parameters. For example, everyone transacting business in this country today, knows that savings accounts can be accessed, and information changed (such as statement address, etc.) by telephone, by computer website (i.e., secure portal), and/or in person. After reading the instant application, a person of skill in this art will clearly be able to perform the claimed invention without undue experimentation. As such, Applicant's claims are believed to be enabled under 35 U.S.C. § 112, first paragraph.

Further, in item 7 of the Office Action, claim 22 was rejected under 35 U.S.C. § 112, second paragraph as citing to an

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abstract concept and not a physical apparatus. Applicant respectfully disagrees. Applicant has amended claim 22 to make it even more clear that the system of the invention produces a useful, tangible and concrete end result (i.e., the statement sent to the consumer and documenting the transactions in accordance with the consumer set parameters). The amendments to claim 22 are supported by the specification of the original application, for example, by the Abstract, which stated, in part:

In other words, with this service, a consumer who has savings in a bank account (in this case a credit line) and elects this service, can make debit transactions against his or her own account and repay himself or herself for the use of the funds, plus finance charges (interests) if payments are late.

See also, for example, page 7 of the originally filed application, stating, in part:

Establish a savings account with any bank and strictly for the purpose of making transactions using the financial card proposed here. [emphasis added by Applicant]

See also, for example, page 8 of the originally filed application, stating, in part:

Once the card is in use, every month the bank or agency lending the service sends a statement to the consumer indicating the charges made and payment due. The statement also shows interests charged for the period if a balance is due, as well as any other applicable fees. [emphasis added by Applicant]

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As such, it is believed that claim 22 is definite under 35 U.S.C. § 112, second paragraph, and that the concerns addressed by the rejection of that claim in item 7 of the Office Action have been addressed herein.

In item 8 of the Office Action, claim 2 was rejected under 35 U.S.C. § 112, second paragraph, because "the payment" in step (b) and "the result" in step (d) allegedly lacked proper antecedent basis. Applicant has amended claim 2 to address the concerns raised in item 8 of the Office Action.

In item 9 of the Office Action, claims 6 and 20 were rejected under 35 U.S.C. § 112, second paragraph, because "the interest rate" allegedly lacked proper antecedent basis. Applicant has amended claims 6 and 20 to address the concerns raised in item 9 of the Office Action.

In item 10 of the Office Action, claims 7 and 8 were rejected under 35 U.S.C. § 112, second paragraph, because "the monthly minimum payment" allegedly lacked proper antecedent basis. Applicant has amended claim 7 to address the concerns raised in item 10 of the Office Action.

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It is accordingly believed that the specification and the claims meet the requirements of 35 U.S.C. § 112, first and second paragraphs.

In item 12 of the Office Action, claims 2 - 4, 9, 10, 13 - 19, 21 and 22 were rejected under 35 U.S.C. § 102(b) as allegedly being anticipated by The Bank Credit Card Business, American Bankers Association ("ABA").

In item 28 of the Office Action, claims 5, 11 and 12 were rejected under 35 U.S.C. § 103(a) as allegedly being obvious over ABA, in view of "Orchard Credit Cards" ("ORCHARD"). In item 32 of the Office Action, claims 6 - 8 and 20 were rejected under 35 U.S.C. § 103(a) as allegedly being obvious over ABA, in view of "PSECU Capitol Card" ("PSECU").

Applicant respectfully traverses the above rejections.

More particularly, claim 2 has been amended to recite, among other limitations:

(a) establishing a stored credit on behalf of a consumer corresponding to an amount advanced by the consumer;

(b) setting parameters for repayment of amounts borrowed from the stored credit, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of

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late fees, the parameters being set by the consumer;
[emphasis added by Applicant]

Similarly, Applicant's independent claim 15 recites, among other limitations:

(a) establishing a stored credit in a financial institution on behalf of a consumer, corresponding to an amount advanced by the consumer;

(b) setting parameters for repayment of amounts borrowed from the stored credit, wherein the parameters for repayment include parameters for at least one of the payment of interest and the payment of late fees, the parameters being set by the consumer; [emphasis added by Applicant]

As such, Applicants' claims 2 and 15 require, among other limitations, that the stored credit **correspond to an amount advanced by the consumer**. This amendment is supported by the specification of the instant application, for example, by the originally filed Abstract, which stated, in part:

In other words, with this service, a consumer who has savings in a bank account (in this case a credit line) and elects this service, can make debit transactions against his or her own account and repay himself or herself for the use of the funds, plus finance charges (interests) if payments are late.

See also, for example, originally filed claim 1 of the instant application, stating:

I claim that, via my invention, I can make available a financial debit-credit card **that allows the consumer to make purchases against his personal savings account (debit)**, and forces the consumer to repay the funds expended prior to a deadline (credit); otherwise

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finance charges and fees are assessed against the personal savings account:

And, paragraph 0001 of page 1 of the originally filed application, which stated:

Pay bills and accumulate wealth using a personalized financial debit- credit combination card that allows the user to make payment transactions against the user's own funds and encourages the user to pay back the account on a monthly basis for the charges made. If payments are not made punctually, then the account holder is also responsible for paying interests, late fees, and processing charges to his or her own account.

As such, the invention of Applicant's claims 2 and 15 provides a **pre-paid (i.e., secured) stored credit** (i.e., "savings in a bank account"; "the user's own funds"), borrowing from which requires repayment according to set parameters for repayment. The cited references do not teach or suggest, among other limitations of Applicant's claims, generating interest or forced repayment on amounts debited from Applicant's **own savings**. More particularly, the **ABA** reference discloses, on page 59 (cited in the Office Action), **advancing unsecured credit** to a consumer, and arranging for repayment of the **unsecured credit amounts used**.

Nothing in the **ABA** reference teaches or suggest arranging for (i.e., invoicing for) repayment of sums borrowed by the consumer from accounts holding the consumer's own money, as

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required by Applicant's claims 2 and 15. In fact, page 3 of the ABA reference, states in part:

Bank credit card credit differs from installment lending in the following ways (see exhibit 1.1):

- Because the debt is unsecured, the bank does not have recourse to specific collateral if customer defaults.
- The bank's exposure equals or can even exceed the **credit line** (for example, if a bank authorizes a request for additional credit or a cardholder exceeds his or her credit line), while with installment lending, the bank's exposure decreases each month the loan is in force.
- The repayment cycle, and therefore **the term of the loan**, is extended each time the cardholder accesses his or her credit line. [emphasis added by Applicant]

None of the above occurs in Applicant's system of claims 2 and 15. Rather, because the Applicant is drawing only on **secured** funds (i.e., savings), the bank does not have the same risks as with credit cards. Additionally, Applicant's invention of claim 2 and 15 differs from the use of debit or ATM cards, in that interest and/or other repayment of sums is assessed to the consumer, **for use of the consumer's own, secured and advanced sums**. Absent Applicant's claimed invention, financial institutions do not invoice (i.e., send a statement) requesting repayment of secured funds (i.e., savings) used by their customers, nor do they send statements to the customer requesting the customer to **pay interest** on the customer's **use of his own secured funds**.

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In fact, the **ABA** reference teaches away from the invention of Applicant's claims 2 and 15. More particularly, page 7 of the **ABA** reference states, in part:

The net result is that consumers have found credit cards convenient, widely accepted, safe and flexible. **Credit is immediately available to fund everyday transactions, including when the cardholder wants to avoid using personal funds.** [emphasis added by Applicant]

Clearly, the **ABA** reference teaches away from use of the card drawing from the cardholder's personal funds, as is done in Applicant's claims 2 and 15.

As such, Applicant's claims 2 and 15 are believed to be patentable over the **ABA** reference.

Further, Applicant's claims require, among other limitations, that the amount of money paid in interest and other charges be added to the stored credit. For example, Applicant's claims 2 and 15 recite, among other limitations:

. . .the at least one of interest and a late fee is **added to the remaining credit to form a new stored credit available to the consumer.** [emphasis added by Applicant]

Applicant's claim 22 recites, among other limitations:

said billing system further debiting an amount of said debits from the record of the stored credit **and crediting said stored credit in the amount of any**

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**repayments of debits, payments of late fees and
payments of interest made by the consumer; [emphasis
added by Applicant]**

Credit card companies and banks swallow up the late fees and
payments of interest without **adding them to the stored credit.**
In Applicant's claimed invention, the paid interest, late fees
and other charges, **accrue to the benefit of, and are spendable
by, the consumer.**

Further still, all of Applicant's claims require, among other
limitations, that **the parameters defining late fees interest
payments be set by the consumer.**

For example; Applicant's claim 2 recites, among other
limitations:

(b) setting parameters for repayment of amounts
borrowed from the stored credit, **wherein the
parameters for repayment include parameters for at
least one of a payment of interest and a payment of
late fees, the parameters being set by the consumer;**
[emphasis added by Applicant]

Further, Applicant's amended independent claim 22 recites,
among other limitations:

a billing system for managing said stored credit
according to **parameters set by the consumer,** wherein
said billing system debits said stored credit in
accordance with purchases made using said debit card;

**said billing system generating a statement detailing
said debits to said stored credit and any interest or**

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late fees due in accordance with said parameters, said billing system further debiting an amount of said debits from the record of the stored credit and crediting said stored credit in the amount of any repayments of debits, payments of late fees and payments of interest made by the consumer; [emphasis added by Applicant]

As such, Applicant's claim 22 requires, among other limitations, setting up a billing system to manage a stored credit, wherein the consumer can debit from or repay to the stored credit, and be charged interest or late fees in accordance with parameters set by the consumer. As stated on page 4 of the Office Action:

It is common practice in the art for a bank, credit union or financial institution to set credit card rates or finance charges, monthly minimum payments and fees. [emphasis added by Applicant]

Contrary to the common practice in the art, Applicant's claims requires, among other limitations, that the consumer whose stored credit it is, gets to set the parameters governing any interest or late fees due. Allowing a consumer to govern the interest or late fees due on the consumer's usage of a stored credit is neither taught, nor suggested, in the prior art. For example, page 43 the ABA reference states, in part:

As with the annual membership fee, it is not unusual for an issuer to offer an introductory APR that is substantially lower than the normal rate. [emphasis added by Applicant]

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Clearly, the **ABA** reference discloses that the interest rate on loans on credit cards is set by the financial institution, and not by the consumer.

The **ORCHARD** and **PSECU** references, cited in the Office Action in combination with the **ABA** reference, do not cure the above-discussed deficiencies of the **ABA** reference. For example, although **ORCHARD** discloses a secured card granting you "a credit limit equal to 100% of your deposit", **ORCHARD** discloses that you may also qualify for a credit limit equal to "200% of your deposit". As such, the system of **ORCHARD** does not credit or debit the consumer's own deposit, but merely provides credit using the Applicant's money as security. For example, page 2 of **ORCHARD** states, in part:

Can I Withdraw Money from my Savings Account?

The savings account acts as collateral for your secured card, so you may not withdraw money from the account while your credit card is secured. [emphasis added by Applicant]

Further, the **ORCHARD** reference does not allow the consumer to set the parameters governing the interest and or late fees paid by the consumer on amounts debited from the stored credit. Rather, the **ORCHARD** reference discloses an interest rate set by the financial institution and paid by the financial institution earned by the savings account. For example, page 2 of **ORCHARD** states, in part:

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How much interest will my savings account earn?

The interest rate on savings accounts, as of 4/1/2001, is 2% with an annual percentage yield of 2%. For more current information, call us at (503) 245-9280. You will be paid the disclosed interest rate for at least 30-calendar days. We will never decrease this rate unless we first give you 30-calendar days notice in writing. [emphasis added by Applicant]

As such, **ORCHARD** discloses that **ORCHARD** pays interest to the account on money not spent by the consumer (i.e., "we use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in your account each day"), whereas, Applicant's claims require, among other limitations, payment of interest or late fees, by the consumer, on the amounts that the consumer has removed from the account.

The **PSECU** reference discloses a standard credit card system where the financial institution sets the operating parameters, including the interest rates and late fees, not the consumer. More particularly, the **PSECU** system discloses **bank set** rates for two different **types of transaction**. The **PSECU** reference fails to teach or suggest, among other limitations of Applicant's claims, **letting the consumer set the parameters for managing money**. Rather, in **PSECU**, the bank sets the interest rate at one level for purchases, and the bank sets the interest rate at second level for cash advances. There is

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no **choice of the consumer** in setting the rate. Rather, in **PSECU**, the customer who makes a purchase must always pay the first **bank set rate**, while the customer who makes a cash advance must pay the second bank set rate. With regard to the present claim limitation and **PSECU**, page 12 of the Office Action states, in part:

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of ABA and PSECU to allow the consumer to choose an interest rate charged on a first amount because it allows the consumer to know the interest rate before making a transaction.

Applicant respectfully disagrees with the logic on page 12 of the Office Action. More particularly, consenting to one particular interest rate or another, is not the same as setting the interest rate. Applicant's claims require the consumer to set the interest rate. In **PSECU**, the interest rates are already **set by the bank**, while the consumer's only choice regarding the interest rate is whether or not to use the particular service offered at the bank's pre-set rate.

As such, the combination of the **ABA** and **PSECU** references still fails to teach or suggest, among other limitations of Applicant's claims, the consumer setting the parameters for repayment of amounts borrowed from the stored credit.

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Further, the combination of **ABA** and **PSECU** fails to teach or suggest, among other limitations of Applicant's claims, that the credit is a secured credit (i.e., corresponding to an amount advanced by the consumer), as required by Applicant's claims 2 and 15. The combination of **ABA** and **PSECU** additionally fails to teach or suggest, among other limitations, that the interest or late fees paid on the account becomes a credit available for use by the consumer, as required by Applicant's claims.

As such, Applicant's claims are believed to be patentable over **ABA** and **PSECU**, whether taken alone, or in combination.

For the foregoing reasons, among others, Applicant's claimed invention is believed to be patentable over the **ABA** reference, taken alone, or in combination with the **PESCU** and **ORCHARD** references.

Further, Applicant believes that the **ABA** reference is **not** combinable with the teachings of **ORCHARD**, in the manner set forth in the Office Action. More particularly, the combination of **ABA** and **ORCHARD** would destroy the teachings of both references. Page 7 of the **ABA** reference states, in part:

The net result is that consumers have found credit cards convenient, widely accepted, safe and flexible.
Credit is immediately available to fund everyday

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transactions, including when the cardholder wants to avoid using personal funds. [emphasis added by Applicant]

Clearly, the **ABA** reference teaches that the ABA system can be used including when the cardholder wants to avoid using personal funds. Thus **ABA** teaches against tying up the user's personal funds. The secured system of **ORCHARD** requires the user to tie up the user's personal funds as collateral. For example, page 2 of **ORCHARD** states, in part:

Can I Withdraw Money from my Savings Account?

The savings account acts as collateral for your secured card, so you may not withdraw money from the account while your credit card is secured. [emphasis added by Applicant]

The position of **ABA** (i.e., not to use the user's personal funds) and the position of **ORCHARD** (securing with the user's personal funds) are completely incompatible. Combining the teachings of **ORCHARD** with those of the **ABA** reference , impermissibly destroys the teachings of both references, while still not teaching or suggesting all limitations of Applicant's claims.

It is accordingly believed that none of the references, whether taken alone or in any combination, teach or suggest the features of claims 1, 15 and 22. Claims 1, 15 and 22 are, therefore, believed to be patentable over the art. The

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dependent claims are believed to be patentable as well because they all are ultimately dependent on claims 1 or 15.

In view of the foregoing, reconsideration and allowance of claims 2 - 22 are solicited.

In the event the Examiner should still find any of the claims to be unpatentable, counsel would appreciate receiving a telephone call so that, if possible, patentable language can be worked out.

If an extension of time for this paper is required, petition for extension is herewith made.

Please charge any fees that might be due with respect to Sections 1.16 and 1.17 to the Deposit Account of Lerner Greenberg Sterner LLP, No. 12-1099.

Respectfully submitted,



For Applicant

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